

NEWS

Fran Pavley
Assemblymember, 41st District

A MONTHLY ELECTRONIC NEWSLETTER TO THE 41ST ASSEMBLY DISTRICT
(Including Agoura Hills, Calabasas, Encino, Malibu, Hidden Hills, Lake Sherwood, Oak Park, Pacific Palisades, Port Hueneme, South Oxnard, Santa Monica, Tarzana, Topanga, Westlake Village, and Woodland Hills.)

JANUARY 2006 EDITION

405 Carpool Lane Bill Signed

On January 13, Governor Schwarzenegger signed Senate Bill 1026, which began its legislative life last year as my bill AB 1252. SB 1026 fast-tracks construction of a much-needed 10-mile northbound carpool lane on the 405 freeway between the Westside and the Valley by authorizing the use of "design-build" contracting of work out to private companies.

This was a critical step because unless work is underway by 2009, \$130 million in Federal funds



which Congressman Howard Berman obtained toward the \$500 million project could be lost.

The 405 freeway has the unfortunate distinction of being "America's most congested freeway." Anyone who lives or travels through the area knows that on a personal level. Without the availability of design-build, it was estimated that this project could not have otherwise been completed before 2015.

Not In The Trash!

Effective February 8, the following items cannot be put out in the regular trash and must be taken to your local hazardous waste collection center or participating local retailer.

- All batteries, including small hearing aid and button batteries
- Fluorescent light bulbs and tubes
- Thermostats
- Electronics such as telephones, microwaves, VCRs, printers and radios
- Electronic switches
- Mercury gauges
- Novelties with mercury, such as musical greeting cards and pre-1997 shoes with flashing lights
- Mercury thermometers
- Unempty aerosol cans containing hazardous materials

Governor's Strategic Growth Plan

Together with his proposed 2006-07 budget, on January 5 Governor Schwarzenegger released a "Strategic Growth Plan" for the state. This \$222.6 billion plan would be spread over ten years, primarily to build roads and schools, construct flood control improvements in the California Delta region, build jails in designated counties, and modernize our courts. The funding would come from a combination of existing sources (i.e., state and Federal gas taxes) and new sources of revenue such as \$68 billion from the issuance of general obligation bonds.

Governor's Strategic Growth Plan Funding Levels by Program Areas

(In Billions)

Program	Ten-Year Totals			Totals
	General Obligation Bonds	Existing Sources	New Sources	
Transportation	\$12.0	\$47.0	\$48.0	\$107.0
K-12	26.3	21.9	—	48.2
Higher education	11.7	—	—	11.7
Flood control and water supply	9.0	21.0	5.0	35.0
Public safety	6.8	5.1	5.5	17.4
Courts and others	2.2	0.7	0.4	3.3
Totals	\$68.0	\$95.7	\$58.9	\$222.6

Source: Legislative Analyst's Office

The Governor also proposes a constitutional amendment to place a cap of 6% on our debt limit. That means that 6% of the state's General Fund would be committed to pay off these bonds for the next ten years, with no flexibility to invest in other needed bond measures such as resource protection (air and water quality, watersheds, state parks, the conservancies, etc.) or for seismic retrofit of hospitals.

The last time California heavily invested in infrastructure improvements was in the 1960s, when Pat Brown was Governor. We are not meeting the needs of 37 million Californians who live, work, and go to school in our state.

Although the Governor's plan is a step in the right direction, I have several concerns:

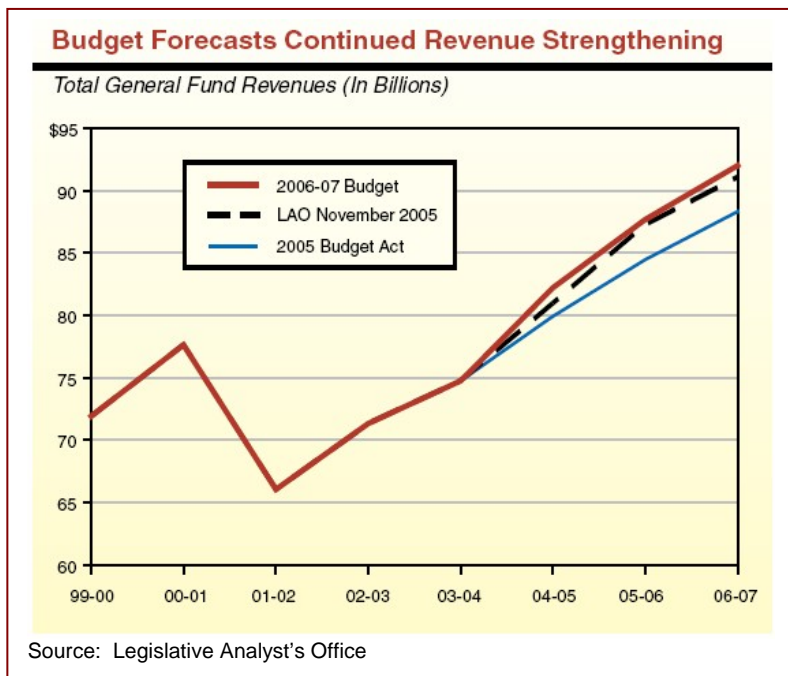
- Should transportation dollars be limited primarily to widening freeways? Or should a portion be set aside for transit options to get people out of their cars?
- If 6% of our General Fund is tied up for ten years to pay off these projects, how will this affect health and human service programs, maintenance for parks, etc.? It's important to bear in mind that much of the General Fund is already constitutionally committed by voter-action to education (Prop. 98) and transportation (Prop. 42.) or required Federally mandated programs.
- Should the private sector, that will greatly benefit from these improvements, help pay its fair share so that the state doesn't have to rely so much on borrowing?
- What other unmet needs will not be able to be funded?
- Should local communities around the Sacramento Delta region be allowed to build huge subdivisions in the flood plain adjacent to the poorly-engineered and antiquated levee system? After Katrina and a recent court decision, the state (which means the taxpayers) is legally responsible for about 1,600 miles of these levees.

- Although the 6% cap on debt service is certainly prudent, should it be a constitutional amendment set in stone? What happens if a natural disaster like an earthquake strikes? The state may need the flexibility to respond, which would not be constitutionally possible. Just two years ago, prior to Katrina and the court decision, levees were not the state's highest priority.
- The state's nonpartisan Legislative Analyst (LAO) has expressed her concerns about what she calls the "questionable assumptions" of some of the funding sources. Relying on the Federal government never seems to be prudent.
- Will the construction of new jails in cities and counties just shift prisoners, and costs, from the overcrowded state prisons?

Legislative policy committees will be discussing the six difference bond proposals that make up the Governor's plan (transportation, K-12, higher education, flood control and water supply, public safety, and courts and others). Although the Governor had hoped for a speedy approval in time to place a bond on the June ballot, I believe that we will need more in-depth discussions. A portion of this proposal will probably appear on the November ballot. I welcome your comments.

Governor Releases Budget, but LAO Cautions

The Governor's draft proposal for the state's 2006-07 budget has now been reviewed by the Legislative Analyst. Here are some of her comments. The full LAO 22-page overview can be accessed on their website at www.lao.ca.gov.



"The 2006-07 Governor's Budget now projects that the state will be able to fund much more than a current-law budget and still maintain fiscal balance in the budget year. Specifically, the proposal includes over \$4 billion in higher spending, including over \$2 billion for new or expanded programs and \$920 million for the prepayment of a loan due to transportation in 2007-08

"However, we also believe that the overall plan moves the state in the wrong direction in terms of reaching its longer-term goal of getting its fiscal house in order. Instead of using the current unexpected revenue increases -- which are primarily from more volatile revenue sources such as business profits

and capital gains -- to reduce outstanding obligations, the budget ratchets up ongoing spending by about \$2 billion. Given the state's current structural budget shortfall, as well as the substantial outstanding obligations that eventually have to be repaid related to past borrowings from schools, local governments, and transportation, we believe that the 2006-07 budget should focus more on paying down existing debt before making expansive new commitments.

"In 2005-06, expenditures are expected to exceed revenues by \$2.6 billion, leaving \$6.5 billion in the reserve. In 2006-07, expenditures increase to nearly \$98 billion, while revenues are projected to reach \$92 billion. The resulting large operating shortfall results in a further decline in the reserve to \$613 million by the close of the budget year."

Expenditure Increases

In general, the Governor's budget increases both K-12 and higher ed funding (although it does not completely repay the money "borrowed" from education last year), and fully funds discretionary growth and COLAs; increases enrollment of children in the Medi-Cal and Healthy Families programs; reflects implementation of voter-passed Prop. 63 for community mental health services; extends General Fund support for voter-passed Prop. 36 to divert drug offenders from jails and prisons to treatment; and transfers \$1.4 billion in voter-passed Prop. 42 gas tax revenues to transportation projects.

"Even assuming that the higher revenue trend underlying the Governor's plan continues into the future," the LAO warns, "we believe that the added ongoing spending included in the new plan would result in larger out-year fiscal imbalances than we previously identified. We specifically estimate that implementation of the plan would leave the state with an annual operating shortfall of over \$5 billion in 2007-08 (over \$6 billion if we assume the administration's policy of including the full Budget Stabilization Account transfer in this calculation.)"

As a member of the Assembly Budget Committee and as Chair of the Budget Subcommittee #3 on Resources, I'll be spending a considerable amount of time over the next several months going through the resources budget line by line. The other four Assembly Budget Sub-committees are Education Finance, Transportation, Health & Human Services, and State Administration.

General Fund Spending by Major Program Area

(Dollars in Millions)

	Actual 2004-05	Estimated 2005-06	Proposed for 2006-07	
			Amount	Percent Change
Education				
K-12 Proposition 98	\$30,863	\$32,792	\$36,403	11.0%
CCC Proposition 98	3,036	3,412	3,949	15.7
UC/CSU	5,175	5,446	5,834	7.1
Other	4,380	4,567	4,918	7.7
Health and Social Services				
Medi-Cal	\$11,593	\$13,197	\$13,739	4.1%
CalWORKs	2,054	1,958	1,951	-0.4
SSI/SSP	3,411	3,506	3,564	1.7
IHSS	1,198	1,259	1,310	4.1
Other	6,596	7,341	7,909	7.7
Youth and Adult Corrections	\$6,968	\$7,658	\$8,081	5.5%
Transportation	\$347	\$1,686	\$2,683	59.1%
All Other	\$4,183	\$7,473	\$7,561	1.2%
Totals	\$79,804	\$90,294	\$97,902	8.4%

Source: Legislative Analyst's Office

Below are a few of my initial concerns . . .

- The Governor's proposal relies in several instances on "continuous appropriation" language that takes away the Legislature's Constitutional authority and oversight.
- The agency with the biggest loss of funding is Resources. Ex., the State Parks budget -- largely because bond funds have run out and it relies on General Funds -- has dropped from \$562 million to \$382 million. State Parks also has unfunded deferred maintenance costs of close to \$1 billion.
- Although revenues are up this year, the ongoing structural deficit is not addressed, as the LAO notes forcefully. Expenditures will continue to outpace revenues, resulting in an LAO- **projected \$9 billion deficit by fiscal year 2008-09.**
- There are several unbudgeted costs of roughly \$1 billion that were not identified, including \$460 million for the CalWORKS program if the state is not successful in a pending court appeal; and new employee bargaining contracts, 18 of which will expire by July 2.
- Ongoing spending is a major issue. For example, Prop. 49, the after-school initiative that Governor Schwarzenegger got on the ballot in 2002 before he ran for office, will cost \$438 million annually, or more, in permanent ongoing appropriations. The major policy issue facing the Legislature is whether to expand or create new programs that cannot be funded on an ongoing basis. Should we pay off debts, or increase spending?
- Cuts in childcare for CalWORKS recipients, suspending Federal COLAs to the blind, the poor, and the disabled; and similar cuts to other human services are of great concern to me and to many members.

The legislative budget debate is about to begin.

Medi-Cal Prescription Drug Coverage

Since the beginning of the year, there has been great confusion among seniors and disabled individuals who previously had prescription drug coverage paid for by Medi-Cal and whose coverage was shifted by Congress to the Federal Medicare program. Many of these “dual eligible” people have found themselves without critical and often life-sustaining medications. Given the severity of the situation, California’s Legislature and the Governor have agreed to temporarily use state General Fund dollars so that these people can again get their prescription drugs and as quickly as possible.



On Thursday, January 19, both the Assembly and the Senate passed AB 132, an urgency measure that provided an additional appropriation that will provide coverage to “dual eligibles” through January 27, and that provides authority to the Governor to extend funding through February 11. It is very distressing to find that this change by Congress, which was heavily supported by the pharmaceutical industry, left so many vulnerable people without critical medications. I am also greatly concerned about the complexity of the choices that dual eligible people are going to have to make and the lack of available clear and understandable materials to use to try and make the “right” choice. In some instances dual eligible recipients who are on fixed very low incomes are seeing their prescription drug costs actually go up.

I will be watching the issue very closely to be sure that California steps in again should there be any further gaps in coverage for those who have now lost their Medi-Cal and been forced on to Medicare.

If you have specific Medicare questions, you can call 1-800-633-4227, or you can visit their website at either www.Medicare.gov or www.calmedicare.org/changes/partd.html.



CalMedicare.org



Medicare information for Californians



What's New?



The J. Paul Getty Museum in Malibu

After completion of a major renovation that closed the magnificent Getty Villa in Malibu years ago, on January 28 it will reopen. Sited just above Pacific Coast Highway, with views of both the Pacific and the Santa Monicas, its new mission is to serve as an educational center and museum dedicated to the study of the arts and cultures of ancient Greece, Rome, and Etruria. Space and parking are somewhat limited, so tickets are required. To get your free ticket, visit their website at www.getty.edu, or call (310) 440-7300.

The New Santa Monica Main Library

Celebrating its Grand Opening on January 7, Santa Monica residents flocked to their new 104,000 sq.ft. library designed by the recipient of the prestigious American Institute of Architect's 2006 Architecture Firm of the Year Award. The library includes a large area for children and teens, a grand reading room, a landscaped central courtyard, public art, and much much more. Open every day, the new Main Library is located at 601 Santa Monica Blvd.

Tall Ships Coming to Oxnard

Always a spectacular sight, the tall ships will be returning to Channel Islands Harbor in Oxnard next month, and will be docked there from February 8-14. This is a wonderful opportunity to spend a day in Oxnard. Enjoy the ships at the Harbor, talk a walk along the beach and dunes, bring your bikes, have lunch at one of the charming restaurants, and maybe even rent a sea kayak or flat-bottomed boat to cruise around the Harbor.

Sustainable41

It was a pleasure to honor Café Carolina (Carol-ee-na) of Encino with my Sustainable41 recognition for this month. Chef/Owners Giuseppe Dossi and Isabella Errico-Dossi have gone above and beyond in their attainment of Green Restaurant Certification as members of the Green Restaurant Association. Many of the requirements for certification are simple steps that we can all incorporate into our everyday choices, such as using non-toxic and biodegradable cleaning products, eating organic foods, purchasing paper products that are chlorine free and recycled, incorporating energy efficient lighting and design, water efficient appliance use, etc. To learn more about green restaurant practices, you can check out www.dinegreen.com.

Café Carolina is located at 17934 Ventura Boulevard and offers authentic Italian cuisine with many organic dishes to choose from.



Assemblymember Pavley and Chef/Owner Giuseppe Dossi check out the green packaging offered at the Café.

Deadlines for Great Opportunities

Assembly Fellowship Program

This 11-month fellowship program gives college graduates the opportunity of a lifetime to become full-time Assembly staff members working on fiscal and policy issues in an Assemblymember's Capitol or Committee office. They earn 12 graduate credits from California State University Sacramento; and receive a monthly stipend of \$1,972 plus health, dental and vision benefits. Informational booklets are available on request from my district office, or visit their website at www.scus.edu/calst/assembly.

Application deadline is February 22, 2006 postmark.

California State Summer School for the Arts

"InnerSpark" is conducting the California Arts Search to identify the most talented high school-aged visual, literary, media and performing artists in California. The 520 teens selected will be designated California Arts Scholars and will attend one of the country's premier summer arts institutes on the campus of the California Institute of the Arts in Valencia from July 8 through August 5, 2006. Application forms and instructions are available online at www.innerspark.us.



Application deadline is February 28, 2006.

Cal Grants

If you're looking for cash for college, check out the California Student Aid Commission's website. Cal Grants can provide up to \$8,300 a year for college, and they are grants that do not need to be repaid. They are not loans. You must be a high school senior or recent graduate with at least a 2.0 GPA and meet certain eligibility criteria. Go to their website at www.calgrants.org for more information.

Application deadline is March 2, 2006.



In Memoriam

Over the past few months, we have lost a number of our local heroes -- people who made a lasting difference in protecting and enhancing the quality of life in and around the 41st Assembly District. There have been many others, but I want to personally recognize these individuals for the legacy they have left, and to express my personal appreciation and gratitude.

Marvin Braude

Long-time L.A. City Councilmember and Brentwood resident. Along with former U.S. Congressman Tony Beilenson, he actively supported the creation of the Santa Monica Mountains National Recreation Area. Passed the first non-smoking ordinance in Los Angeles. His physician wife, Marjorie, preceded him in death last year.

Lesley Devine

Founding member of the Calabasas City Council, a director of the Resource Conservation District, and tireless supporter of open space and resource protection in the Santa Monica Mountains region. She helped keep the dream alive that resulted in the successful acquisition of Ahmanson Ranch.

Ed Masry

Former Thousand Oaks Mayor and environmental champion. Gained world fame for his firm's successful toxics litigation against Pacific Gas and Electric on behalf of the residents of Hinckley, California. The case was ultimately made into the film, "Erin Brockovich."

Helen Itria Norman

Long-time President of the Tarzana Property Owners Association. A staunch advocate for protecting the community character of Tarzana, and the surrounding open spaces that all Valley residents value for both scenic and recreational value.

Ed Robings

Former President of Oxnard College, Executive Director of the Ventura County Museum of Art and History, lifelong Democrat activist and past President of the Greater Oxnard Organization of Democrats. A kind and caring man, and always the gentleman.



Assemblymember Pavley's Committee Assignments

Budget Committee
Education Committee
Transportation Committee
Water, Parks and Wildlife Committee

Chair, Budget Subcommittee #3 on Resources
Chair, Select Committee on Air and Water Quality
Select Committee on Runaway Production
Select Committee on Ports
Joint Committee on Emergency Services and Homeland Security

Legislative Advisory Committee - Wildlife Conservation Board
Legislative Advisory Committee - California Coastal Conservancy
Santa Monica Mountains Conservancy Board
Member, Commission on the Status of Women

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If you know of anyone who you think would like to receive these newsletters, please e-mail their name, mailing address and e-mail address, and I'll be happy to add them to my list.

